

## MACROECONOMICS AND MICROECONOMICS: AN OVERVIEW

*Arya Salim*

*Research Scholar, S.N. College, Kollam, Kerala, India*

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**Received: 19 Jul 2018**

**Accepted: 03 Aug 2018**

**Published: 10 Aug 2018**

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### **ABSTRACT**

*Microeconomic theory deals with the study of individual units of an economy, such as, the demand of a single consumer and the behaviour of a single firm. Macroeconomics deals with the study of the economy as a whole. It studies variables like national income and employment. In microeconomics, the assumption is that there is the full employment of resources. While in macroeconomics there is no such assumption. Microeconomics deals with a pricing of different factors of production while macroeconomics deals with economic growth and development. Microeconomics makes use of partial equilibrium analysis while macroeconomics makes use of general equilibrium analysis. This paper endeavors to identify the differences and similarities between microeconomics and macroeconomics, outline the scope of microeconomics and macroeconomics, and examine the role of each in policymaking.*

**KEYWORDS:** *Micro, Macro, Partial Equilibrium, General Equilibrium*